



## **Selecting, Operating, and Insuring Your Own Vanpool**

## Selecting and Operating Your Van

**Y**ou may start your own vanpool by buying or leasing a new vehicle, or you may choose to buy or lease a used vehicle. You also may use a van you currently own. Just make sure that the van you choose is in good operating condition. Neither the Washington State Ridesharing Organization nor the Washington State Department of Transportation recommend any particular make or model of van. Most major automobile manufacturers offer vans suitable for vanpooling. We do, however, have recommendations on outfitting the vehicle and insuring safe operation.

### Making Choices

One of your major choices will be the size of your van. Most public vanpool programs operate 1-ton, 12- and 15-passenger vans. There are also a variety of minivans on the market accommodating up

to eight passengers. Extra seating capacity is a minimal cost shared by your riders over several years. Each rider you add to your group decreases individual fares. If you are adding seats, be sure that the gross weight of the vehicle is sufficient for a full passenger load. Safety should be considered first and foremost. Also, according to current state law, your van must not exceed a maximum of 15 passengers including yourself in order to qualify for ridesharing tax incentives.

Another consideration is durability. Choose a van that will handle the load and stand up to heavy use over several years.

Based on history and experience of public vanpool programs, the following equipment is suggested:

- Large engine, V-8, gas or diesel, 300-400 cu.in.
- Heavy-duty shock absorbers and suspension system

- Heavy-duty battery (475 amp) and electrical system
- Auxiliary transmission cooling system
- All-season steel belted radial tires
- Safety and convenience options to consider when purchasing or leasing a vanpool vehicle include:
- Instruments (temp, oil, amp)
- Snow tires or chains
- Fire extinguisher
- "Reverse" (back-up) alarm
- Inside hood release
- Locking gas cap
- Automatic transmission

Another key consideration in operating a vanpool is satisfied riders. You are competing with the single occupant vehicle (SOV). Consider these convenience and comfort options which are offered by many public vanpool programs:

- Side double doors and not one sliding door unless you will be commuting by ferry. The sliding door allows easier passenger loading on the ferry itself.
- Deluxe seats

- Full carpeting
- Adjustable arm rests on seats
- Rear heating and cooling vents
- Rear radio speakers
- Front and rear air conditioning
- Push-out vent windows
- Tinted or privacy glass (on side windows)
- Passenger boarding step or running board
- Cruise control
- Tilt steering wheel
- Map (reading) lights over each seat
- Undercoating for a quieter ride

### **Leasing Versus Purchasing**

Leasing and purchasing both have their advantages and disadvantages. The Washington State Ridesharing Organization and the Washington State Department of Transportation do not recommend one option over the other.

Leasing has the advantage of requiring less money up

front than conventional down payment purchases. The lease may include a purchase option, standard or extended warranty coverage, loaner vehicles, service discounts, and one-stop shopping.

One potential disadvantage of leasing is that your leasing company may be inflexible in allowing you to escape the lease if you do not continue vanpooling over the entire lease period. It is important to search for a lease agreement that will allow this flexibility.

Purchasing has the advantage of building equity, with your ridership paying for most of your van. At the end of four or five years you have the resale of your van free and clear since the capital residual is not considered profit under current IRS regulations. In addition, the warranty, service, and loaner vehicle options mentioned for leasing may also be available under a purchase contract.

The principle disadvantage to purchasing your own

vehicle is that you must make payments on the vehicle whether or not you continue vanpooling.

Check with your local auto dealership about price and availability to determine which method of acquisition is best for you.

### **Providing Routine Maintenance**

Once you have chosen a van, it is important to schedule regular preventive maintenance in order to keep operation safe for your riders. Many public vanpool programs have established somewhat more stringent maintenance schedules than dealers recommend because of passenger safety concerns and the extra load put on these vehicles. Public programs have also discovered that well maintained vehicles bring higher resale prices. For your routine maintenance, look for a garage that will offer loaner vans or vehicles. This will make your contingency planning easier.

Besides maintaining regular oil, lube, safety inspection, and tune-up schedules, most public programs require daily, weekly, and monthly inspections by their vanpool drivers. Daily checks can include inspection of the van's exterior, mirrors, seatbelts, brakes, and the steering, exhaust, and fuel systems. Weekly inspections generally include checking all fluids including oil, coolant, windshield, power steering, transmission, and battery fluids. Monthly inspections usually include checking tire pressure, windshield wipers, belts, and hoses. The general rule is if something is wrong, get it fixed immediately. For more information about vanpool maintenance programs you may wish to contact one of the agencies listed in Appendix A.

### **Planning for Emergencies**

There will be times when your van is inoperable due to breakdown or inclement weather. You should plan for these emergencies by making

backup carpool arrangements in advance. Three or four prearranged carpools will lessen the inconvenience and confusion of a last-minute change of plans. Consider implementing a phone tree, where certain members of your group are assigned to call others in the event of such emergencies. This way, inconvenience is kept to a minimum. See the sample Phone Tree on page 39. It is also a good idea to have at least one backup driver to cover for vacations, illnesses and emergencies.

Always carry emergency triangles and flares, and have a plan in case of an accident. See Chapter Five for more tips on managing your group during an emergency.

### **Planning Your Route and Pickup Points**

In planning the most efficient route for your group, decide on one, two, or three convenient places where your riders will meet the van. If riders will be driving to meet the van, be sure they are able to park safely and legally. Your community's transit agency and the Washington State Department of Transportation provide Park and Ride lots for your use. Park and Ride or Park and Pool lots are also located at churches, community centers, and shopping centers. Contact your local transit agency or your Washington State Department of Transportation regional office for the location of the Park and Ride lot that will best serve your needs.

If your vanpool would like to use a shopping center or church or store parking lot that is not signed as a Park and Ride lot, it is wise to submit a request to the property manager. Generally, they will let you park a few cars in a remote part of their lot. Advance parking negotiations will keep the tow truck away!

## Insuring Your Own Van

### State Law Defines “Standard of Care”

Washington State law establishes the standard for a vanpool operator to use “reasonable and ordinary” care when driving (see RCW 46.74.030 in Appendix C). This means you are expected to drive with the same degree of care as when you operate your private automobile. The intent of defining this standard of care is to remove vanpooling from the “for-hire” and commercial class of vehicles for insurance purposes. This makes insurance less expensive and more easily obtained.

RCW 46.74.030 extends the reasonable care standard to commuter ridesharing arrangements in which the operator charges fares to cover commuting costs. Previously, these reimbursements were considered compensation within the “for-hire” status. This change in law is meant to encourage ridesharing by

recognizing that sharing commuting expenses is a major incentive.

Another state law limits the capacity of a ridesharing vehicle to fifteen persons including the driver (see RCW 46.74.010 in Appendix C). This class of vehicles includes vans, station wagons, and sedans. None of these vehicles requires additional operating skill beyond that of a licensed driver operating a personal vehicle.

### Obtaining Adequate Insurance Coverage

The “risk” involved in ridesharing is similar to that of single occupant commuting. In vanpool arrangements, drivers neither claim to be professionals nor do they necessarily have greater qualifications than average drivers. Vanpool members participate by choice, with the assumption of voluntarily sharing a disclosed risk between private parties. Each member of the group will

travel substantially the same mileage and route. The more people in the ridesharing vehicle, the fewer vehicles driven, which translates to fewer vehicle-miles traveled overall.

However, your liabilities as a vanpool operator are greater than when operating a single occupant vehicle and you should ensure appropriate coverage for yourself and your riders. With regard to specific insurance coverage, check with your insurance agent. We suggest at least:

1. Personal injury liability  
\$500,000 to \$1,000,000 (min.)
2. Property damage liability  
\$250,000 to \$500,000
3. Medical benefits \$5,000 to \$10,000
4. Collision, comprehensive and uninsured motorist protection

It is important to remember that liability and property damage insurance are mandatory in Washington State.

The minimum limits are

currently \$25,000/\$10,000. (See RCW 46.29.090 in Appendix C.) Amounts in excess of these minimums are highly recommended.

Vanpool owner-operators may find it more difficult to obtain coverage for their vans than for their personal vehicles. Many insurers will want to insure your home, boat, and personal auto also. Along with shopping for insurance locally, you may wish to contact the insurance providers listed in Appendix D. These are suggested by the Association for Commuter Transportation as companies that may offer vanpool insurance.

### Tips for Visiting Your Insurance Agent

Your insurance agent may not be familiar with the non-commercial status of commuter vanpooling. If your agent is unaware of state law regarding vanpools, refer the agent to RCW 46.74, “The 1979

Rideshare Act”, 46.72.010, 51.08.013, 81.68.015, 46.04.190 and other shaded sections of the RCWs in Appendix C.

Your best bet is to go to your current agent prepared to educate him/her about vanpools. Prepare for your visit by having the following information available:

- Your accident history
  - Your motor vehicle record
  - Information about any backup driver, including name, date of birth, driver’s license numbers
  - Information about your van—year, make, model, etc.
  - Amenities on your van for added safety such as running board, fire extinguisher, or third taillight
  - Number of miles driven per year
  - Origin/Destination
  - Preventive maintenance program for your van
  - Description of your vanpool’s operating rules (see page 30 for sample rules)
  - What actions you plan to take to prevent potential losses (e.g., off-street parking, safety precautions, rules)
  - Your route, where you will park the van, types of roads you will take, where your pickup and drop-off points are located
  - Driver training course—will you take one? Will your backup driver take one? (Contact your local transit agency. Many offer their public program classes to private vanpoolers free or for a small fee, or can recommend a local driver safety class)
  - What to do in emergencies—what is your plan for emergencies or accidents?
- In summary, if you approach an insurance company after having addressed the above issues, you stand a better chance of obtaining insurance and receiving a good low-cost premium.